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United Kingdom

Biotechnology

UK Debate: First Major Report on Economic Costs, Benefits of Biotechnology 2003

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Report Highlights:

Following from GAIN 3013, "UK Launches Biotech National Debate Amid Resurgence in Media Interest", the Prime Minister's Strategy Unit published on July 11, 2003 its first cost-benefit analysis of the future of UK biotechnology. This is the first of four major reports to be published by the UK government as a part of its national "GM Debate". The report does not offer a definitive answer to whether a commercial biotechnology industry in the UK would prove more beneficial or hazardous to the nation. However, it does weigh and consider all potential outcomes of either side to the decision. Media coverage has tended to focus on aspects of the report which question the benefits of biotechnology.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
London [UK1], UK

Summary: First of Four Major Reports on National Debate

In July 2003, the UK government launched a three-pronged national debate on the risks and benefits of biotechnology including: (1) public debate, (2) scientific review and (3) economic study. The latter endeavor, conducted by the Prime Minister's Strategy Unit (SU), is performing a study assessing the costs and benefits of growing biotech crops – currently available varieties and potential future varieties – and the impact on conventional and organic farming.

On July 11, 2003, the SU published results of its first cost-benefit analysis of biotech on the current and future UK market (<http://www.number10.gov.uk/files/pdf/GMreport.pdf>). This is the first of four major reports to be published on the results of the national debate. The two other debate strands are currently performing analysis and moving towards the publication phase. Reports from all three branches of the debate-in addition to results from the farm scale evaluations due this autumn-will assist the government in deciding whether biotech crops should be commercially grown in the UK.

Report Highlights: No Definitive Answer

SU's report considers the impact of biotech food and farming over all sectors: farmers (biotech, conventional and organic), processors, retailers, consumers, the environment and the biotech industry. In performing this analysis, SU recognizes its limitations as the following areas: a lack of comparative international research and inability to perform specific analysis for each scenario according to all possible crops. Having identified these shortcomings, the SU reaches the following main conclusions (summarized in SU's press release <http://www.number10.gov.uk/output/Page4127.asp>):

- *Biotech offers some cost, convenience advantages to UK farmers* – however, with weak consumer demand, farmers would not find biotech crops profitable
- *Future developments have potential benefits for both farmers and consumers* – this may include crops with nutritional value; however, public attitudes towards biotech acceptance and regulatory demands could greatly impact future acceptance, innovations
- *Limited range of crops, traits currently suited to UK climate* – only herbicide tolerant varieties of maize, sugar beet and oilseed rape are suited for to UK conditions but they currently offer no benefits for consumer use, thereby limited retail stocking for consumer purchase
- *Biotech decisions will involve trade-offs between costs and benefits* – rules on growing biotech crops could make cost of production outweigh financial gains as well as reducing biotech developments but strict regulatory measures would please consumers
- *Biotech industry could impact non-biotech, organic farmers negatively* – depending on regulations, these farmers may have to incur extra costs to ensure that their crops remain biotech-free

- *Biotech national decisions impact science industries, international biotech competitiveness* – national output and international role in biotech may be significantly impacted depending on the future direction of biotech in the UK

Responses: All Sides Claim Partial Victory

The report does not provide any one definite answer to whether a commercial biotech industry in the UK will prove more beneficial or hazardous to the nation. However, it does weigh and consider all potential outcomes of either side to the decision. As a result, the conclusions provide all interest groups with some positive and negative insights into their arguments for or against biotech crops and farming.

To date, there are limited published responses to the report. However, the UK Soil Association published an official response to SU's report. The Association "warmly welcomed" the study and the policy director, Peter Melchett, stated the following (<http://www.soilassociation.org/web/sa/saweb.nsf/media/index.html>):

"This is a careful economic analysis that shows that there are no clear, economic benefits to UK farming if GM crops are grown commercially...[f]or the first time the government has acknowledged the scale of uncertainty connected with GM technology...but the report is clear that the long term risks could just as easily outweigh any long term potential benefits."

Dr. Sue Mayer, Director of Genewatch UK

(<http://www.genewatch.org/Press%20Releases/pr45.htm>) had this to say:

"Even the Prime Minister's closest advisors haven't been able to come up with a convincing economic case for GM crops in Britain. The only benefit seems to be making it easier for farmers to apply chemical herbicides, but consumers would pick up the bill for keeping GM crops separate by having to pay higher costs for non-GM foods," she said. "The image of UK's agricultural science base is in tatters as a result of BSE and Foot and Mouth Disease. Seeing GM as the future of science is outdated. We need a much more innovative approach which does not pretend you can predict and control plants and agriculture gene by gene," said Dr Mayer. "If UK science simply follows the GM route and does not carve out new paths suited to our needs, we will simply trail along behind the U.S., picking up their leftovers."

Future Considerations: Consumer Attitudes, Regulatory Decisions of Prime Concern

In general, based on responses and media coverage of SU's report, the UK is still skeptical of biotech. This report confirms arguments but also continues to raise many of the same questions. The next three reports to be released will be critical in shedding insight on how to deal with the most pressing concerns regarding the future of the UK biotech industry: the power of consumer attitudes on the strictness of regulations and retail decisions, and how these trends will impact the national market. These issues must also be weighed against the UK's apparent interest in carving out status as a global biotech leader and remaining open to agricultural innovation.